



## PROJECT BRIEF

# IFRC

The International Federation of Red Cross and Red Crescent Societies (IFRC) is the largest humanitarian organization with operations in 191 countries. The organization administers the Disaster Response Emergency Fund (DREF), which is a multilaterally funded, rapid response mechanism that provides funding directly to local humanitarian actors both before and immediately after a crisis hits. The IFRC recognizes that relying solely on traditional grant funding is insufficient, and therefore intends to develop innovative financing solutions for the DREF. The Project Partners teamed up to develop a new instrument aimed at increasing the DREF's ability to respond to more natural disaster events and reach more end-beneficiaries by increasing its financial capacity via climate risk insurance.



### Target group

Poor and vulnerable households in need of emergency assistance



### Target region

All ODA countries



### Insured asset

Emergency relief costs



### Insured peril / hazard

All types of natural disaster (drought, flood, earthquake, etc.)



### Insurance type

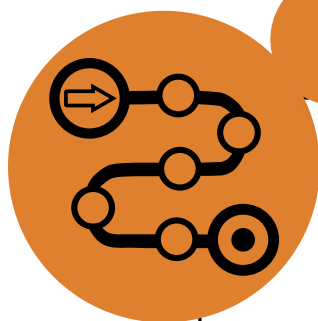
Meso level approach  
Development of new insurance product(s)



### Own contribution

49.8% of total ISF project costs

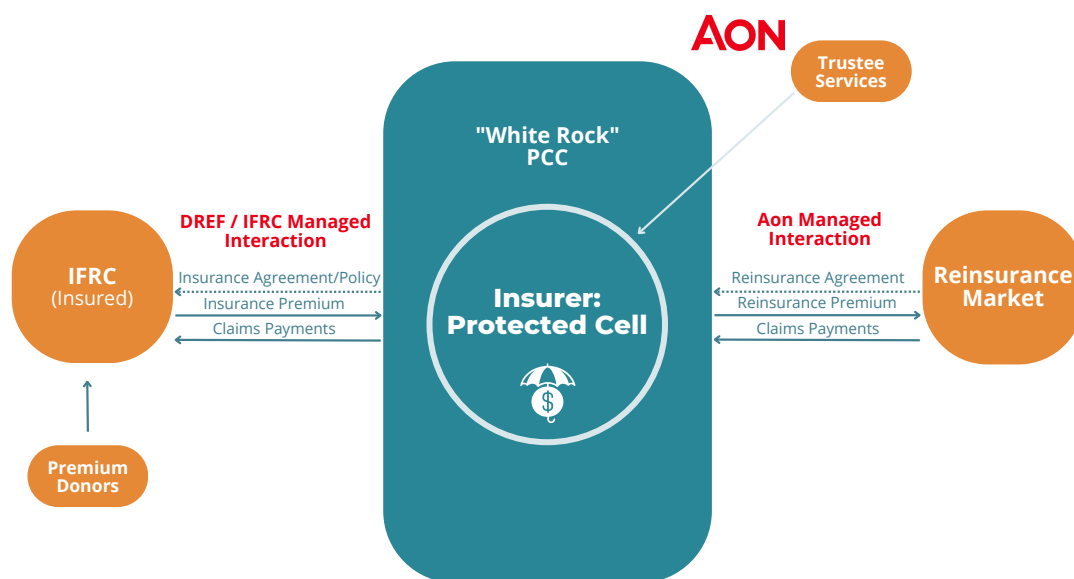
## PRODUCT DEVELOPMENT ACTIVITIES SUPPORTED



- Preparatory work (feasibility study, value for money assessment, partial regulatory assessment).
- Refine the insurance mechanism and structure to incept an improved product.
- Showcase DREF insurance to external stakeholders.
- Increase internal stakeholder awareness and expertise on DREF Insurance.



## PROJECT SET UP



## EXPECTED IMPACTS

Ultimate goal is to increase DREF's ability to respond to more natural disaster events and financing emergency relief operations to the benefit of poor and vulnerable households in ODA countries by leveraging additional risk capital from the private insurance market, thereby minimizing the risk of exhaustion of the fund in extreme years.



## PROJECT PARTNERS

DEMAND  
SUPPLY

- International Federation of Red Cross and Red Crescent Societies (IFRC) / International organization, administers DREF

- Aon / Reinsurance Company / UK

## EXPECTED BENEFICIARIES <sup>1</sup>

**12,000,000 by 2025**  
*100% poor and vulnerable*

## IMPLEMENTATION PERIOD



## GRANT AMOUNT

**EUR 2,455,288**